

Summary of consolidated purchasing  
Arrangements, shared services arrangements and  
Efforts of school corporations to explore  
Cooperatives, common management, or  
Consolidations as reported by  
Education Service Centers  
for the 2006-2007 school year

Indiana Department of Education  
October 3, 2007

Under IC 21-10-3-3, as amended, the State Board of Education is required to do the following:

*Not later than November 1 of each year, the state board, assisted by the office of management and budget and school corporation officials, shall submit a report to the state superintendent, the governor, and the general assembly concerning the following:*

- (1) Consolidated purchasing arrangements used by multiple school corporations, through educational service centers, and throughout Indiana.*
- (2) Shared services arrangements used by multiple school corporations, through educational service centers, and in the state as a whole.*
- (3) The efforts of school corporations to explore cooperatives, common management, or consolidations.*

*The report to the general assembly must be submitted to the executive director of the legislative services agency in an electronic format under IC 5-14-6.*

This report pertains to consolidated purchasing arrangements, shared services arrangements, and efforts to explore cooperatives specific to Education Service Centers. Education Service Centers (ESCs) support local educational needs through educational planning on a cooperative basis and assist in meeting specific educational needs which can be more efficiently provided through economies of scale. Working in concert with the Indiana Department of Education (IDOE) and other agency partners, ESCs offer a nine region structure to provide services across the state. Membership in Education Service Centers includes 283 school corporations and charter schools, 38 non-public schools, and 1 state institution.

All nine Education Service Centers were asked to respond to the above three items specific to their provided services only. The Education Service Centers provided a detailed itemization of each area along with calculations showing both the total value of the service provided as well as the total estimated savings of the service provided. Total estimated savings of the service provided averaged 28% for consolidated purchases and 90% for shared service arrangements.

Consolidated purchasing arrangements listed range from copy paper to bakery products to school bus purchases. The total regional value of services provided is slightly more than \$77.1M, with region by region total values ranging from \$1.2M to \$33.2M. The total regional estimated savings is \$14.6M, with region by region total estimated savings ranging from approximately \$3M to \$8.3M. The two largest areas of savings are seen in food services (\$7.9M) and copy paper (\$1.3M).

Shared service arrangements listed range from media services to discounted software to driver education. The total regional value of services provided is \$15,400,448, with region by region total values ranging from \$647,620 to \$2.990M. The total regional estimated savings is \$14.580M with region by region total estimated savings ranging from approximately \$647,000 to \$4,483M. The three total largest areas of savings are seen in commodity food (\$2.449M) media services (\$2.423M), and insurance trusts (2.150M).

Significant interest exists across the state for property/casualty insurance and natural gas explored/shared services. A complete listing of explored/shared services activities for the ECSs includes the following: wireless internet, natural gas, purchase of school buses, fuel, property/casualty insurance, substitute teachers, textbook purchase consortium, technology management solutions, reading recovery, bakery, transportation contracts, bakery bids – food co-op, risk insurance/worker compensation insurance, Section 125 consortium, criminal background checks, health insurance trust, fuel co-op for diesel and unleaded gasoline, classroom video streaming, web based certified training, SES tutoring, on-line job applications, transport fuel hedge, ESCRFT insurance trust, student transit, and schoolwires webpage.

Responses to the three questions follows as well as the survey that was sent out to the ECSs.

Consolidated Purchasing	Region 1 Southern Indiana ESC	Region 2 Wilson ESC	Region 3 West Central ESC	Region 4 East Central ESC	Region 5 Wabash Valley ESC	Region 6 Northwest Indiana ESC	Region 7 Northern Indiana ESC	Region 8 ESC	Region 9 Central Indiana ESC	TOTAL BY CLASS OF SUPPLY OR SERVICE	Projected Percentage Saved by Class	Total Estimated Savings
Administrative Software	\$ 2,942	\$ 17,401	\$ 2,924	\$ 10,543	\$ 2,511	\$ 14,864	\$ 199	\$ 20,849	\$ 28,343	\$ 100,576	33%	\$ 33,190
Art Supplies	\$ 36,772	\$ 52,814	\$ 4,566	\$ 62,000	\$ 88,414	\$ 2,825	\$ 20,370	\$ 63,101		\$ 330,862	33%	\$ 109,184
Audio Visual	\$ 11,583	\$ 44,960	\$ 3,996	\$ 54,550	\$ 39,427	\$ 6,083	\$ 19,320	\$ 27,653	\$ 368,657	\$ 576,229	33%	\$ 190,156
Carpeting	\$ 14,889	\$ 115,772	\$ 29,947	\$ 250,401	\$ 63,942	\$ 320,326	\$ 284,686	\$ 48,544	\$ 260,113	\$ 1,388,620	5%	\$ 69,431
Cartridge/Toner/Ribbons	\$ 17,854	\$ 62,681	\$ 2,472	\$ 43,079	\$ 64,263	\$ 7,530	\$ 18,277	\$ 15,192		\$ 231,348	33%	\$ 76,345
Classroom Paper	\$ 6,288	\$ 68,658	\$ 12,529	\$ 15,836	\$ 16,265	\$ 128,130	\$ 22,274	\$ 33,842		\$ 303,822	33%	\$ 100,261
Copy Paper	\$ 267,480	\$ 556,414	\$ 141,748	\$ 452,831	\$ 620,480	\$ 657,108	\$ 294,255	\$ 402,821	\$ 724,891	\$ 4,118,028	33%	\$1,358,949
Custodial Supplies	\$ 103,907	\$ 112,137	\$ 75,186	\$ 86,540	\$ 74,600	\$ 247,132	\$ 19,880	\$ 95,806	\$ 400,345	\$ 1,215,533	33%	\$ 401,126
First Aid Supplies	\$ 1,303	\$ 5,808	\$ 872	\$ 10,409	\$ 1,099	\$ 836	\$ 764	\$ 809		\$ 21,900	33%	\$ 7,227
Furniture	\$ 334	\$ 51,218		\$ 942	\$ 59	\$ 429		\$ 126	\$ 5,170	\$ 58,278	33%	\$ 19,232
Information Technology	\$ 234,599	\$ 619,653	\$ 275,139	\$ 411,342	\$ 731,283	\$ 1,248,926	\$ 332,949	\$ 487,788	\$ 2,418,803	\$ 6,760,482	10%	\$ 676,048
Lamps/Ballasts	\$ 14,236	\$ 3,323	\$ 2,808	\$ 2,204	\$ 5,272	\$ 46,084	\$ 6,617	\$ 7,627		\$ 88,171	33%	\$ 29,096
Library	\$ 1,395	\$ 7,649	\$ 555	\$ 4,680	\$ 4,628	\$ 110	\$ 2,719	\$ 6,874		\$ 28,610	33%	\$ 9,441
Office	\$ 60,284	\$ 350,454	\$ 25,888	\$ 202,304	\$ 454,383	\$ 44,496	\$ 52,516	\$ 145,116	\$ 1,649,651	\$ 2,985,092	33%	\$ 985,080
Roofing	\$ 1,723	\$ 14,823	\$ 7,795	\$ 455,441		\$ 1,526,538	\$ 800,321	\$ 103,197		\$ 2,909,838	15%	\$ 436,476
Online Vendors			\$ 526	\$ 1,181						\$ 1,707	33%	\$ 563
Miscellaneous							\$ 113			\$ 113	33%	\$ 37
Food Service	\$ 170,651		\$ 1,204,598	\$ 618,450		\$ 6,457,689	\$ 3,012,347	\$ 3,731,877	\$ 8,918,495	\$ 24,114,107	33%	\$7,957,655
Copy Machines	\$ 241,411	\$ 179,595	\$ 118,149			\$ 39,721	\$ 79,662	\$ 210,624		\$ 869,162	15%	\$ 130,374
Software			\$ 41,324	\$ 130,531		\$ 124,201		\$ 84,669		\$ 380,725	25%	\$ 95,181
Bakery Products	\$ 75,549					\$ 295,127	\$ 299,747	\$ 593,504	\$ 361,021	\$ 1,624,948	15%	\$ 243,742
Dairy Products						\$ 1,406,822	\$ 1,244,746	\$ 2,245,992	\$ 2,659,748	\$ 7,557,308	10%	\$ 755,731
Fire and Safety				\$ 410,295			\$ 77,043			\$ 487,338	10%	\$ 48,734
School Bus Purchases		\$ 3,262,668					\$ 1,680,991		\$ 9,492,576	\$ 14,436,235	5%	\$ 721,812
Waste Disposal							\$ 154,662		\$ 534,911	\$ 689,573	5%	\$ 34,479

Consolidated Purchasing	Region 1 Southern Indiana ESC	Region 2 Wilson ESC	Region 3 West Central ESC	Region 4 East Central ESC	Region 5 Wabash Valley ESC	Region 6 Northwest Indiana ESC	Region 7 Northern Indiana ESC	Region 8 ESC	Region 9 Central Indiana ESC	TOTAL BY CLASS OF SUPPLY OR SERVICE	Projected Percentage Saved by Class	Total Estimated Savings
Cell Phones							\$ 61,324			\$ 61,324	33%	\$ 20,237
Audiometer Calibration						\$ 2,083				\$ 2,083	33%	\$ 687
Petroleum									\$ 2,314,595	\$ 2,314,595	5%	\$ 115,730
Sports Supplies		\$ 1,080			\$ 2,004					\$ 3,084	33%	\$ 1,018
Classroom Resource Mat.		\$ 388			\$ 1,893				\$ 816,580	\$ 818,861	33%	\$ 270,224
STI software				\$ 180,466						\$ 180,466	50%	\$ 90,233
Natural Gas Cooperative						\$ 220,955				\$ 220,955	127%	\$ 280,613
Food Service Paper									\$ 990,229	\$ 990,229	33%	\$ 326,776
Athletic Resurfacing									\$ 1,295,709	\$ 1,295,709	10%	\$ 129,571
	\$1,263,200	\$5,527,496	\$1,951,022	\$ 3,404,025	\$ 2,170,523	\$ 2,798,015	\$ 8,485,782	\$ 8,326,011	\$33,239,837	\$77,165,911		\$14,626,206

All values shown are as reported by the respective Education Service Center for the 2006-07 school year.

Shared Services	Region 1 Southern Indiana ESC	Region 2 Wilson ESC	Region 3 West Central ESC	Region 4 East Central ESC	Region 5 Wabash Valley ESC	Region 6 Northwest Indiana ESC	Region 7 Northern Indiana ESC	Region 8 ESC	Region 9 Central Indiana ESC	TOTAL VALUE OF SERVICE PROVIDED	Projected Percentage Saved by Service Provided	Total Estimated Savings
DNS Hosting	\$ 27,600	\$ 7,200	\$ 9,600	\$ 36,000	\$ 20,400	\$ 15,620	\$ 37,200	\$ 19,200		\$ 72,820	100%	\$ 172,820
Web Hosting	\$ 12,000	\$ 5,500		\$ 3,600	\$ 21,600		\$ 2,160	\$ 2,400		\$ 47,260	100%	\$ 47,260
AV repair	\$ 19,823	\$ 205,911	\$ 6,240	\$ 20,908	\$ 18,259	\$ 2,619	\$ 5,178	\$ 963		\$ 79,901	100%	\$ 279,901
Media Services	\$ 442,400	\$ 238,600	\$ 117,400	\$ 188,000	\$ 889,050	\$ 112,800	\$ 176,750	\$ 249,250	\$ 8,925	\$ ,423,175	100%	\$ 2,423,175
Starlab	\$ 100,000	\$ 137,500	\$ 94,500	\$ 42,000	\$ 147,000	\$ 103,750	\$ 3,575	\$ 86,250	\$ 17,500	\$ 32,075	100%	\$ 732,075
Network Security					\$ 38,400		\$ 29,000			\$ 67,400	100%	\$ 67,400
Professional Development	\$ 212,925	\$ 63,750	\$ 50,850	\$ 140,775	\$ 119,025	\$ 261,798	\$ 106,270	\$ 147,825	\$ 374,025	\$ ,477,243	100%	\$ 1,477,243
Insurance Trust	\$ 16,463	\$ 82,657	\$ 7	\$ 9		\$ 13			\$ ,750,486	\$ ,149,635	100%	\$ 2,149,635
Contracted Professional Development	\$ 13,192		\$ 40,090		\$ 32,000					\$ 85,282	100%	\$ 85,282
SIS Delivery	\$ 2,000		\$ 1,300	\$ 2,500	\$ 2,000	\$ 1,550	\$ 1,550	\$ 2,200		\$ 13,100	100%	\$ 13,100
Professional Meetings	\$ 13,650					\$ 39,600	\$ 4,900	\$ 10,100		\$ 68,250	100%	\$ 68,250
Professional Videos	\$ 25,300	\$ 5,800	\$ 5,000	\$ 4,900		\$ 2,900	\$ 15,750	\$ 2,100	\$ 6,450	\$ 68,200	100%	\$ 68,200
Career Information Network		\$ 29,745	\$ 7,081	\$ 44,100		\$ 5,600		\$ 36,900		\$ 123,426	100%	\$ 123,426
CDL Drug & Alcohol Testing								\$ 44,200		\$ 44,200	100%	\$ 44,200
Instructional Resource Kits	\$ 1,000	\$ 5,400		\$ 1,250		\$ 20,930		\$ 700		\$ 29,280	100%	\$ 29,280
Substitute Teacher System					\$ 46,000		\$ 2,450	\$ 87,400	\$ 73,482	\$ 209,332	100%	\$ 209,332
Commodity Food	\$ 254,380				\$ 666,915	\$ 707,009		\$ 820,799		\$2,449,103	100%	\$ 2,449,103
Toner Cartridge Refill	\$ 27,504									\$ 27,504	15%	\$ 4,126
Data Collection	\$ 6,800									\$ 6,800	100%	\$ 6,800
eProcurement Savings				\$ 428,890				\$ 402,465		\$ 831,355	100%	\$ 831,355
ESL Consortium						\$ 20,206				\$ 20,206	100%	\$ 20,206
Survey Service					\$ 8,000					\$ 8,000	100%	\$ 8,000

Shared Services	Region 1 Southern Indiana ESC	Region 2 Wilson ESC	Region 3 West Central ESC	Region 4 East Central ESC	Region 5 Wabash Valley ESC	Region 6 Northwest Indiana ESC	Region 7 Northern Indiana ESC	Region 8 ESC	Region 9 Central Indiana ESC	TOTAL VALUE OF SERVICE PROVIDED	Projected Percentage Saved by Service Provided	Total Estimated Savings
Discounted Software		\$ 595,243								\$ 595,243	25%	\$ 148,811
Network Consulting		\$ 48,000								\$ 48,000	100%	\$ 48,000
Para Professional Training	\$ 1,000									\$ 1,000	100%	\$ 1,000
Driver Education									\$ 131,400	\$ 131,400	100%	\$ 131,400
PL Connect									\$ 512,398	\$ 512,398	100%	\$ 512,398
Natural Gas Trust Workers Compensation Insurance		\$ 23,720								\$ 23,720	16%	\$ 3,795
Distance Learning Services		\$ 459,291								\$ 459,291	38%	\$ 174,531
		\$ 16,443								\$ 16,443	100%	\$ 16,443
Student Programs			\$ 271,860							\$ 271,860	100%	\$ 271,860
Procurement Services			\$ 47,425							\$ 47,425	100%	\$ 47,425
Starlab Instructor				\$ 1,750						\$ 1,750	100%	\$ 1,750
Internet Accounts				\$ 20,160						\$ 20,160	100%	\$ 20,160
Textbook Review Site				\$ 300						\$ 300	100%	\$ 300
Incolas				\$ 2,400						\$ 2,400	100%	\$ 2,400
Cyberlink Wireless Service				\$ 30,000						\$ 30,000	100%	\$ 30,000
Data Warehouse							\$ 97,718			\$ 97,718	100%	\$ 97,718
Web Based Services							\$ 19,744			\$ 19,744	100%	\$ 19,744
CRU"s Graduate Credit							\$ 14,535			\$ 14,535	100%	\$ 14,535
Professional Consulting							\$ 23,640			\$ 23,640	100%	\$ 23,640
Wireless Internet Access							\$ 107,200		\$ 109,450	\$ 216,650	100%	\$ 216,650
Staff Application Services								\$ 6,750		\$ 6,750	100%	\$ 6,750

Shared Services	Region 1 Southern Indiana ESC	Region 2 Wilson ESC	Region 3 West Central ESC	Region 4 East Central ESC	Region 5 Wabash Valley ESC	Region 6 Northwest Indiana ESC	Region 7 Northern Indiana ESC	Region 8 ESC	Region 9 Central Indiana ESC	TOTAL VALUE OF SERVICE PROVIDED	Projected Percentage Saved by Service Provided	Total Estimated Savings
Student Software Licenses									\$ 40,834	\$ 40,834	23%	\$ 9,392
IOA Online Courses									\$1,458,500	\$1,458,500	100%	\$ 1,458,500
Air Quality Service					\$ 3,000					\$ 3,000	50%	\$ 1,500
COIN Career Guidance					\$ 22,500					\$ 22,500	50%	\$ 11,250
Para Professional Testing	\$ 1,000			\$ 640						\$ 1,640	100%	\$ 1,640
	\$1,176,037	\$2,224,760	\$ 651,353	\$ 967,542	\$ 2,034,149	\$1,294,395	\$ 647,620	\$1,919,502	\$ 4,483,450	\$15,400,448		\$ 14,581,760

All values shown are as reported by the respective Education Service Center for the 2006-07 school year.

Notes:

### **Region 1 - Southern Indiana ESC**

Commodity Food Purchase - A consortium of schools who work together and with the IDOE to purchase federal commodity foods in more efficient ways - greater choice, improved quality and cost savings are the main results.

Toner Cartridge Refill - Discounts are negotiated with a local vendor to be 15% under regular government pricing to refill toner (printer) and inkjet cartridges up to three times for savings from purchasing new.

Data Collection - Information and data collected from member schools to assist schools in comparing their costs of services from companies, such as health insurance costs by district, salaries, lunch prices, substitute wages, etc. While this is collected by other groups such as ISBA, ISTA, and IASBO, these data are items collected and compared only for our area and with specific purposes.

Para Professional Training - Para Professional Academy and training to meet the highly qualified requirements of NCLB, as well as serving as a testing site for identified tests to meet the highly qualified requirements for Para Professionals in NCLB. The amount listed is the amount saved (value added) by the districts by the ESC putting this assistance together as well as signing up for and hosting a location for the districts to send para professionals to take the Praxis test approved to make them 'highly qualified'.

Insurance Trust - The Southern Indiana School Trust (SIST) consists of 9 school corporations which have formed a pool to purchase life and long term disability insurance as a group as well as develop self-funded coverage for vision and dental insurance. The savings indicated is based on the 2% premium tax savings in dental and vision premium (self-funded programs).

Contracted Professional Development - On-site contracted training sessions in which the SIEC provides "turn-key" training as determined through the school or corporation. Savings are provided as well as convenience of training all staff, many times with fewer substitutes and time away from the classroom.

### **Region 3 - West Central Indiana ESC**

Student Programs - Provide extensive number of student workshops. These are in the form of leadership academies, one day workshops on leadership and drug-free programs. This is a value added to the schools because they are the recipients of the students coming back to their schools with training and experiences serving as leaders within their school.

### **Region 5 - Wabash Valley ESC**

Network Security - The Center provides a program that monitors network traffic. Through the security algorithm system, a person is on duty 24/7 to watch network traffic. If someone attempts unauthorized entry into the network or someone from within the network attempts an unauthorized intrusion it is immediately aborted. If someone from within the network tries or visits an unauthorized web site that is tracked and the computer identified.

Air Quality Service - The Center provides tools for loan that permit school corporations to take air samples that will identify the presence of mold and bacteria levels along with tools that measure carbon dioxide, fresh air and other gas levels.

Survey Service - The Center provides tools to conduct online and paper surveys. This service includes the instrument design, analysis of data, and the formulation of questions. The Center meets with the school requesting the survey and based on the identified data needs the Center helps them design their survey. The Center assists the school in conduct of the survey more than analysis of raw data.

Contracted Professional Development - The Center has full time staff members that assist schools with their individual professional development needs. The service ranges from assisting the principals with the professional development plan to going to the school and presenting the professional development. Center staff also goes to other service center areas when we have someone with expertise that the other center does not have.

Instructional Resource Kits - Included in media

ESL Consortium - We write a Title III consortium grant for 18 districts at \$30K last year This year 22 districts at over \$60,000.

Insurance Trust - Our trust is under cost increase trends by about 8% a year but we cannot estimate savings because of plan design.

eProcurement Savings - Included with question 2.

Discounted Software - We offer discounts on software of all sorts but do not track use.

Network Consulting -We do hours of network security consulting but do not track the time or compare our consulting with a commercial company.

Para Professional Training - Included with Professional Development.

### **Region 6 - Northwest Indiana ESC**

ESL Consortium - The NWIESC serves as the fiscal agent and facilitates the regional Title III Grant Consortium for schools who do not meet the minimum number of required LEP (Limited English Proficient) students to qualify for an individual grant. The group typically ranges from 8-10 school corporations and as part of their participation in the Consortium they receive staff development, fiscal management, and a subscription to TransAct, a company which provides parent NCLB notifications. We used 100% allocation for this service.

Commodity Food - NWIESC facilitates the selection of raw USDA commodities for diversion to brand name product manufacturer. NWIESC coordinates the legally required bid (fee for service) for a distribution company that will ultimately receive the finished product from the manufacturer, store until needed by the member school corporation's food service departments. "Pass thru" credit for donated USDA commodities is received by the school corporation when billed for product by the distributor.

Natural Gas Consortium - The saving percentage (127%) equals the average of the consortium's 25 members' ROI (Return on Investment) relative to their consortium fees paid when compared to NIPSCO's PPS program's annual average. NIPSCO's PPS program is a one-year fixed price per therm program which our consortium typically beats by at least 4 to 5 center per therm annually using hedging strategies to purchase futures contracts.

### **Region 9 - Central Indiana ESC**

IOA - The Indiana Online Academy is a program of high school courses for students that want extra credits, alternative to expulsion and homebound students.

PL Connect - Online professional development for teachers. Favorite courses are Poverty, Bullying, and Differentiated Instruction.

Explored/Shared Services	Region 1 Southern Indiana ESC	Region 2 Wilson ESC	Region 3 West Central ESC	Region 4 East Central ESC	Region 5 Wabash Valley ESC	Region 6 Northwest Indiana ESC	Region 7 Northern Indiana ESC	Region 8 ESC	Region 9 Central Indiana ESC	
Wireless Internet					YES				YES	2
Natural Gas	YES	YES	YES	YES	YES			YES		6
Purchase of School Buses		YES			YES	YES			YES	4
Fuel					YES		YES			2
Property/Casualty Insurance	YES	YES	YES	YES	YES		YES	YES	YES	8
Substitute Teachers					YES	YES	YES		YES	4
Textbook Purchase Consortium				YES						1
Technology Management Solutions				YES						1
Reading Recovery								YES		1
Transportation Contracts	YES						YES			2
Bakery Bid - Food Co-op	YES									1
Risk Insurance/Worker Comp	YES	YES								2
Section 125 Consortium	YES									1
Criminal Background Checks	YES					YES	YES			3
Health Insurance Trust	YES					YES				2
Fuel Co-op - Diesel and Unleaded	YES									1
Classroom Video Streaming							YES			1
Web Based Certified Training							YES			1
SES Tutoring									YES	1
On-Line Job Applications						YES				1
Transort Fuel Hedge						YES				1
ESCRFT Insurance Trust						YES				1
Student Transit						YES				1
Schoolwires Webpage						YES				1

Explored/Shared Services	Region 1 Southern Indiana ESC	Region 2 Wilson ESC	Region 3 West Central ESC	Region 4 East Central ESC	Region 5 Wabash Valley ESC	Region 6 Northwest Indiana ESC	Region 7 Northern Indiana ESC	Region 8 ESC	Region 9 Central Indiana ESC	
										0
										0
	9	4	2	4	6	9	7	3	5	49

All responses shown are as reported by the respective Education Service Center for the 2006-07 school year.

Notes:

### **Region 1 - Southern Indiana ESC**

Natural Gas - This is the same as Region 2, except this Center has 2 participants and others waiting until other natural gas providers complete the process with the IURC.

Property/Casualty Insurance - The idea of a Property and Casualty/Workers Compensation pool was explored with all member corporations. From that group, 10 have elected to study the idea further by looking at the ESCRFT group forming. To date there are three member corporations committed to the ESCRFT formation on January 1, 2008, and several still under consideration of this move.

Transportation Contracts - Explored how student transportation contracts work with Laidlaw and Student Transportation Services with all member corporations. No further action was taken, but companies were invited to bid along with other bids coming up last spring.

Bakery/Dairy Bid - Explored a bid for bakery and dairy products with the Southwestern Indiana Co-op (21 school corporations in the SIEC, our commodity food co-op). Four member corporations have decided to try this for 2007-2008.

Risk Insurance/Worker Compensation - See Property/Casualty discussion above.

Section 125 Consortium - Explored with AFLAC the possibility of bringing a group of corporations together to provide a better program of Section 125 opportunities with savings to SIEC member corporations as well as work to meet new Federal regulations forthcoming in this area. School corporation's "union" contracts impeded this progress.

Criminal Background History Checks - Explored a pooled effort for corporations to more efficiently make the basic and more in-depth checks. Entered into an agreement with Advantage for schools to do this independently at a savings.

Health Insurance Trust - Four member corporations looked at this with the West Central ESC and the Wabash Valley ESC to determine if there was interest and a need to form an additional health insurance trust, as several in the state are closed to new members. No further action at this time, but still under consideration.

Fuel Cooperative or Pool - Heard a presentation from Maverick Consulting as a possible approach to working on a regional or state-wide pool. Still under study for an approach.

### **Region 2 - Wilson Center**

Natural Gas - We explored in 2005-06 and again in 2006-07 and one corporation to date is participating in pooling of natural gas in conjunction with ECESC and it is reported in Shared Services. Several other corporations will also participate as soon as Midwest and Ohio Valley Gas companies agree to participate.

Bus Purchases - We explored these services in 2005-06 and 2006-07 and 13 corporations noted here are now participating. A group purchase of buses and are listed on Consolidated Purchasing pages.

Workers Compensation and Property Casualty Insurance - Thirteen corporations expressed interest in 2005-06 and 2006-07 and six are now participating in a Workers Comp pool in conjunction with CIESC, as noted on the Shared Services pages.

Property Casualty is still being explored.

### **Region 3 - West Central ESC**

Natural Gas - Many of our member schools are using Pro-Alliance. We are looking at the ECESC Consortium this year.

Property/Casualty Insurance - Currently 23 school corporations participate in the Insurance Trust program. This is up from 18 school corporations last year.

Education Service Centers Service Areas	Number of Corporations and Charter Schools Served	Number of Non-Public Schools Served	Number of State Institutions Served
Southern Indiana ESC - Region 1	34	6	
Wilson ESC - Region 2	28	11	
West Central Indiana ESC - Region 3	26		
East Central ESC - Region 4	47	2	1
Wabash Valley ESC - Region 5	38	2	
Northwest Indiana ESC - Region 6	24	5	
Northern Indiana ESC - Region 7	36		
Region 8 ESC	33	12	
Central Indiana ESC - Region 9	17		
	283	38	1

All values shown are as reported by the respective Education Service Center for the 2006-07 school year.

Section 3 of P.L. 191-2006, as passed by the 2006 Indiana General Assembly, contains the following purposes:

- To maximize the allocation and use of taxpayer provided resources by school corporations and schools for student instruction and learning;
- To confirm the authority of school corporations to use a variety of methods to reduce the cost of acquisition of products and services;
- To instruct the State Board (of Education) to oversee the consideration of statewide means to acquire products and services;
- To provide a means for school corporations to access technical assistance and other support in the consideration of means to increase the allocation of resources to student learning and achievement;
- To recognize school corporations that achieve effective allocation of resources to student learning and achievement.

The bill contains a listing of actions that school corporations may undertake individually, or in collaboration with other school corporations, and through Education Services Centers or other units of government to reduce non-instructional expenditures to permit allocation of the resulting savings to student instruction and learning. These actions are not limited to purchasing. The bill enumerates several actions with regard to purchasing to include: school buses and other vehicles and vehicle fleets; fuel, maintenance or other services for vehicles or vehicle fleets; food services; facility management services; transportation management services; textbooks, technology, and other school materials and supplies; and any other purchases a school corporation may require.

Actions undertaken may also include the use of shared:

- administrative services overseeing transportation, food service, facilities and other operations;
- administrative services to manage finance, payroll, human resources, information technology, purchasing, or other administrative services; and,
- shared resources to provide instruction, supplemental services, extracurricular activities, or other student services.

A school corporation may collaborate with continuous school corporations to explore the use of cooperatives among school corporations, commonly managed school corporations, or the consolidation of school corporations to provide effective and efficient management of the school corporations or functions of the school corporations. Such cooperatives may be in the form of existing Education Service Centers, or other cooperative efforts.

The bill further requires the Education Service Centers to report to the State Board of Education, not later than August 31 of each year, the results of the efforts of the centers activities relative to purchasing and cooperative agreements. Each Service Center is to report on behalf of their respective members.

The bill further requires the State Board of Education to survey annually school corporations to determine actions taken by each school corporation to allocate resources to student instruction and learning. The Board is to issue a report, not later than November 1 of each year, that concerns the following:

1. Consolidated purchasing arrangements used by multiple school corporations, through Education Service Centers, *and throughout Indiana*;
2. Shared services arrangements used by multiple school corporations, through Education Service Centers, *and in the state as a whole*;
3. The efforts of school corporations to explore cooperatives, common management, or consolidations.

To reiterate, the first report under this law is November 1, 2006, and is due November 1, thereafter.

To accomplish a thorough survey of the state it is necessary that the same questions be posed to Education Service Centers and school corporations and charter schools, to assess all efforts to save money. We believe that, for purchasing purposes, sometimes member school corporations of Education Service Centers use service center purchasing pricing and/or state Quantity Purchase Award (QPA) pricing as benchmarking for negotiating lower purchase prices for items. This perception may or may not be valid. Further, there may be collaborations already in place that school corporations should document in their reports that may not be generally known throughout the state. These are just two examples.

I encourage you to complete the survey via the web at the following address:

<http://mustang.doe.state.in.us/dg/finance/survey.cfm>

Please click on the option EDUCATION SERVICE CENTERS.

If the survey is mailed, please return to:

Dr. William L. Riley  
Fiscal Policy Analyst  
Indiana Department of Education  
Room 229 State House  
Indianapolis, IN 46204

Fax 317-232-0504

For web submission please use the following website:

<http://mustang.doe.state.in.us/dg/finance/survey.cfm>

P.L 191-2006 Survey for Education Service Centers

Service Center Name \_\_\_\_\_

Service Center Region \_\_\_\_\_

Name of person completing the survey \_\_\_\_\_

**THIS SURVEY IS SPECIFICALLY FOR PURCHASES AND OTHER SERVICE ACTIVITIES  
UNDERTAKEN BY AND THROUGH EDUCATION SERVICE CENTERS:**

1. During the past twelve months has your Education Service Center entered into consolidated purchasing arrangements on behalf of multiple school corporations or charter schools?

Yes \_\_\_\_\_

No \_\_\_\_\_

2. Please provide a listing of such consolidated purchasing arrangements to include the commodity or item purchased, volume (if known), participating school corporations or charter schools, and estimated savings realized.

3. During the past twelve months has your Service Center entered into any shared services arrangements on behalf of multiple school corporations or charter schools? Examples of such arrangements include, but are not limited to, purchase of school buses, vehicles, fuel, food service, technology or shared facility or bus maintenance, or transportation management services..

Yes \_\_\_\_\_

No \_\_\_\_\_

4. Please provide a listing of such shared services arrangements to include the kind of the shared service, the school corporations or charter schools involved, and estimated savings realized from this arrangement.

5. During the past twelve months has your Service Center explored cooperative purchasing, shared management services, or consolidations on behalf of school corporations or charter schools?

Yes \_\_\_\_\_

No \_\_\_\_\_

6. Please provide a listing of such activities pertaining to cooperative purchasing, shared management services, or consolidations to include the nature of the activity and the school corporations or charter schools involved.

Please respond to: Dr. William L. Riley  
Fiscal Policy Analyst  
Indiana Department of Education  
Room 229, State House  
Indianapolis, IN 46204

Fax: 217-232-0504 e-mail [wriley@doe.state.in.us](mailto:wriley@doe.state.in.us)